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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

KALINOWSKI, ALEXANDER G

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 04/26/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/588,037

Applicant(s)

STOUT, J. GREGORY

Examiner

Alexander Kalinowski

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ML

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 January 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-29 are presented for examination. Applicant filed an amendment on 1/29/2004, adding new claims 9-29. After careful consideration of Applicant's arguments, the Examiner finds Applicant's arguments nonpersuasive and maintains the rejection of claims 1-8 based on 35 USC 103. New grounds of rejection are established in the instant office action on newly added claims 9-29. Therefore, the rejection of claims 1-29 is a final rejection of the claims.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al., Pat. No. 5,642,485 (hereinafter Deaton) in view of Kepecs, Pat. No. 6,009,411 and Burton et al., Pat. No. 5,025,372 (hereinafter Burton).

As to claim 1, Deaton discloses a method for storing and retrieving consumer transaction information (see abstract), the method comprising the following steps:

during a first transaction by a consumer at a first merchant, capturing transaction information (i.e. the system contains a database which contains relevant information

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about the frequency of the customer's transactions, the amount of the transaction ...
(col. 59, lines 54-60 and col. 61, line 49 - col. 62, line 52).

storing captured said transaction information on a server (i.e. transaction processor 112)(see Fig. 1 and col. 11, lines 4-17).

Deaton does not explicitly disclose
applying captured said transaction information to a second transaction involving said consumer at a second merchant.

However, Kepecs discloses applying that captured transaction information to a transaction involving the consumer at a second merchant (i.e. master stores 23 ... criterion fields can be matched by the past purchasing patterns of consumers ... match customer, criteria, and discount information ... database contains information on the particular retailers who stock each of the discounted items)(see Fig. 3, col. 8, lines 29-46 and line 64 - col. 9, line 5). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include applying captured said transaction information to a second transaction involving said consumer at a second merchant as disclosed by Kepecs within the Deaton method for the motivation of providing a customer discount choices of items available in a collection of stores over a network (col. 2, lines 40-48).

Deaton and Kepecs do not explicitly disclose
during a first transaction, capturing transaction information regarding said transaction from a card presented by said consumer but lacking memory updated to record said first transaction and

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applying captured said transaction information at the second merchant not required to be associated with said first merchant.

However, Burton discloses during a first transaction, capturing transaction information regarding said transaction from a card presented by said consumer but lacking memory updated to record said first transaction (i.e. determination as to whether point and hence dollars are to be awarded fro credit instrument use for each participant ...)(col. 13, lines 16-30). Burton also discloses applying captured said transaction information at the second merchant not required to be associated with said first merchant (i.e. those participating with the credit instrument may desire to use the withheld amount to allocate funds for merchandise or travel under traditional incentive programs)(col. 14, lines 36-43 and col. 30, lines 26-69). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include applying captured said transaction information at the second merchant not required to be associated with said first merchant as disclosed by Burton within the Deaton and Kepecs method for the motivation of offering participants of the incentive program an unlimited degree of flexibility for selection of their own personal award thereby providing motivation for participants to use the incentive program (col. 4, line 63 - col. 5, line 4).

As to claim 2, Deaton does not explicitly disclose the method of claim 1, further including prior to step c a step of

identifying the consumer in a transaction at the second merchant.

However, Kepecs discloses identifying the consumer in a transaction at the second merchant (i.e. Customer_No)(col. 10, lines 5-18). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include identifying the consumer in a transaction at the second merchant as disclosed by Kepecs within the Deaton, Kepecs and Burton method for the motivation of permitting the customer to track his or her total consumption history (col. 2, lines 11-19).

As to claim 3, Deaton does not explicitly disclose the method of claim 1, further including prior to step c a step of wherein before the step of applying, the following step is performed

communicatively coupling the first and second merchants and the server by means of an internet.

However, Kepecs discloses communicatively coupling the first and second merchants and the server by means of an internet (Fig. 1 and Fig. 3). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include communicatively coupling the first and second merchants and the server by means of an internet as disclosed by Kepecs within the Deaton, Kepecs and Burton method for the motivation of permitting the customer to track his or her total consumption history (col. 2, lines 11-19).

As to claim 4, Deaton discloses the method of claim 1, further including prior to step c a step of wherein the step of capturing comprises capturing consumer

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information at the first merchant (i.e. the system contains a database which contains relevant information about the frequency of the customer's transactions, the amount of the transaction ...)(col. 59, lines 54-60 and col. 61, line 49 - col. 62, line 52)

As to claim 5, Deaton discloses the method of claim 1, during step a includes capturing consumer loyalty information at the first merchant (i.e. frequency of customer's transactions)(col. 59, lines 54-60).

As to claim 6, Deaton does not explicitly disclose the method of claim 1, wherein step B includes storing the captured selection information on a server external to the first merchant.

However, Kepecs discloses the step of storing comprises storing the captured selection information on a server external to the first merchant (i.e. DAP and DAP Internet Server)(Fig. 1 and Fig. 3). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the step of storing comprises storing the captured selection information on a server external to the first merchant as disclosed by Kepecs within the Deaton, Kepecs and Burton method for the motivation of permitting the customer to track his or her total consumption history (col. 2, lines 11-19).

As to claim 7, Deaton discloses the method of claim 1, wherein step b includes forwarding the captured selection information to the server (i.e. transaction processor 112)((see Fig. 1 and col. 11, lines 4-17).

As to claim 8, Deaton does not explicitly disclose the method of claim 1, wherein the step c includes

applying that captured transaction information to a transaction involving the consumer at a second merchant and initiated by a browser on a personal computer connected to the internet.

However, Kepecs discloses applying that captured transaction information to a transaction involving the consumer at a second merchant and initiated by a browser on a personal computer connected to the internet (i.e. consumers use their computers 10 for connection to the computer 11 of the DAP through the internet(col. 4, lines 31-47 and col. 9, lines 31-44). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include applying that captured transaction information to a transaction involving the consumer at a second merchant and initiated by a browser on a personal computer connected to the internet as disclosed by Kepecs within the Deaton, Kepecs and Burton method for the motivation of providing a customer discount choices of items available in a collection of stores over a network (col. 2, lines 40-48).

As to claim 9, Deaton discloses The method of claim 1, wherein said captured transaction information comprises a discount offer (i.e. coupon)(see abstract).

As to claim 10, Deaton does not explicitly disclose The method of claim 9, the act of applying said transaction information further comprising reducing a cost of a purchased item according to said discount offer.

However, Kepecs discloses the act of applying said transaction information further comprising reducing a cost of a purchased item according to said discount offer (col. 10, lines 51-67). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation for the motivation stated in claim 1 above.

As to claim 11, Deaton, Kepecs and Burton do not explicitly disclose the method of claim 1, wherein said consumer uses a first method of payment at said first merchant and a second, different, method of payment at said second merchant.

However, the Examiner takes official notice that it was well known in the electronic shopping arts to use many different types of payment for separate transactions. The motivation would have been for the convenience of the customer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation for the motivation stated above.

As to claim 12, Deaton, Kepecs and Burton do not explicitly disclose The method of claim 11, wherein said first and second payment methods utilize a first credit instrument and a second credit instrument, respectively.

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However, the Examiner takes official notice that it was well known in the electronic shopping arts to use many different types of credit cards (i.e. Discover, VISA, AMEX) for payment. The motivation would have been for the convenience of the customer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation for the motivation stated above.

4. Claims 13-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stein et al., Pat. No. 5,459,306 (hereinafter Stein) in view of Kepecs.

As to claim 13, Stein discloses A method for tracking a consumer (see abstract), the method comprising:

identifying the consumer at a first merchant (col. 6, lines 9-23);

presenting an offer to the consumer at the first merchant, based on said identification (col. 6, lines 3-8 and lines 37-45);

Stein does not explicitly disclose

identifying the consumer at a second merchant; and

applying the offer during a transaction at the second merchant.

However, Kepecs discloses identifying the consumer at a second merchant (col. 10, lines 5-23). In addition, Kepecs discloses applying the offer during a transaction at the second merchant (col. 10, lines 51-67). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Kepecs within Stein for the motivation for the motivation of

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providing effective targeting of customers while addressing privacy concerns in a flexible way and the aggregation of several types of discounts (col. 2, lines 1-10 and 20-28).

As to claim 14, Stein discloses A method according to claim 13, wherein the act of presenting an offer to the consumer includes presenting a coupon to the consumer (Fig. 4).

As to claim 15, Stein does not explicitly disclose A method according to claim 13, further comprising determining that the consumer accepts the offer.

However, Kepecs discloses determining that the consumer accepts the offer (col. 10, lines 59-67). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Kepecs within Stein for the motivation for the motivation stated in claim 13 above.

As to claim 16, Stein discloses A method according to claim 13, wherein the offer is not associated with the first merchant (i.e. third party offers)(Fig. 4 and col. 4, lines 60-65).

As to claim 17, Stein and Kepecs do not explicitly disclose A method according to claim 13, wherein the customer uses a first payment method at the first merchant and a second, different payment, at the second merchant .

However, the Examiner takes official notice that it was well known in the electronic shopping arts to use many different types of payment for separate transactions. The motivation would have been for the convenience of the customer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation for the motivation stated above.

As to claim 18, Stein does not explicitly disclose method according to claim 13, wherein the act of applying the offer during a transaction comprises reducing a price of an item purchased during the transaction.

However, Kepecs discloses the act of applying the offer during a transaction comprises reducing a price of an item purchased during the transaction (col. 10, lines 51-67 and col. 13, lines 49-54). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Kepecs within Stein for the motivation for the motivation stated in claim 13 above.

As to claim 19, Stein discloses A method according to claim 13, wherein the act of identifying the consumer at a first merchant includes receiving data from a first point of sale platform (col. 6, lines 9-23).

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As to claim 20, Stein does not explicitly disclose A method according to claim 19, wherein the act of identifying the consumer at a second merchant includes receiving data from a second point of sale platform.

However, Kepecs discloses the act of identifying the consumer at a second merchant includes receiving data from a second point of sale platform (col. 10, lines 19-31). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Kepecs within Stein for the motivation for the motivation stated in claim 13 above.

As to claim 21, Stein discloses A method according to claim 13, wherein the act of presenting the offer to the consumer includes displaying the offer on a point of sale platform (col. 8, lines 12-25).

As to claim 22-29, the claims are similar in scope to claims 13-21 and are rejected on the same basis.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 13-21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the instant claims fail to recite the use of any type of technology (e.g. computer system) within the recited steps of the claimed method of tracking consumers. The recited steps constitute an idea on how to create and manage incentive offers presented to consumers.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case the claimed method recites steps for creating and managing incentive offers to consumers.

Although the claimed invention produces a useful, concrete and tangible result, since the claimed invention as a whole is not within the technological arts, as explained above, claims 13-21 are deemed to be directed to non statutory subject matter.

Response to Arguments

6. Applicant's arguments filed 1/29/2004 have been fully considered but they are not persuasive. Applicant argues that there was no motivation to combine Kepecs with Deaton's method and system for producing a non-customer database which contains data relating only to prospective customers who do not appear on a stored customer database. The Examiner disagrees. The Deaton reference discloses a method and system for customer promotion where incentive coupons are provided to customers based on the customer's shopping history (see abstract and col. 4, lines 47-56). Therefore, for the system to operate, the customer must be identified in order for the system to access the customer's shopping history data. Kepecs discloses a method and system for distributing and redeeming promotions to identified customers. The Examiner cited motivation to combine the references directly from the references (Kepecs). Therefore, Applicant's arguments directed to motivation to combine Kepecs with Deaton are nonpersuasive.

Applicant also argued that there was no motivation to combine the disclosure of Burton with the teachings of Kepecs and Deaton. Burton disclose that participants in the incentive reward system may choose not to participate in the credit instrument system and instead choose to allocate an amount to be withheld for spending on travel or merchandise (col. 20, lines 26-69) which is similar to the discount system and method of Kepecs and Deaton. Motivation to combine Burton with Deaton and Kepecs was cited directly from the references. Therefore, Applicant's arguments directed to the motivation to combine the references are deemed nonpersuasive.

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Pat. No. 6,336,099 discloses a method for electronic distribution of coupons

b. Pat. No. 6,574,606 discloses a method for cross marketing products and services.

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alexander Kalinowski, whose telephone number is (703)

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305-2398. The examiner can normally be reached on Monday to Thursday from 9:00 AM to 6:30 PM. In addition, the examiner can be reached on alternate Fridays.

If any attempt to reach the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached on (703) 305-9588. The fax telephone number for this group is (703) 305-7687 (for official communications including After Final communications labeled "Box AF").

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th Floor, receptionist.

A handwritten signature in black ink, appearing to read 'Alexander Kalinowski', with a stylized, cursive script.

Alexander Kalinowski

Primary Examiner

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4/16/2004